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Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

2011

Department of the Treasury
Internal Revenue Service

For calendar year 2011 or other tax year beginning **DEC 1, 2011**, and ending **NOV 30, 2012**

Open to Public Inspection for
501(c)(3) Organizations Only

<p>A <input type="checkbox"/> Check box if address changed</p> <p>B Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)</p> <p>C Book value of all assets at end of year 81,896,651.</p>	<p>Print or Type</p> <p>Name of organization (<input type="checkbox"/> Check box if name changed and see instructions.) LUESTHER T. MERTZ CHARITABLE TRUST</p> <p>Number, street, and room or suite no. If a P.O. box, see instructions. MORGAN LEWIS, 101 PARK AVENUE</p> <p>City or town, state, and ZIP code NEW YORK, NY 10178-0060</p>	<p>D Employer identification number (Employees' trust, see instructions) 13-7049014</p> <p>E Unrelated business activity codes (See instructions) 454110</p>	<p>F Group exemption number (See instructions) ▶</p> <p>G Check organization type <input type="checkbox"/> 501(c) corporation <input checked="" type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>
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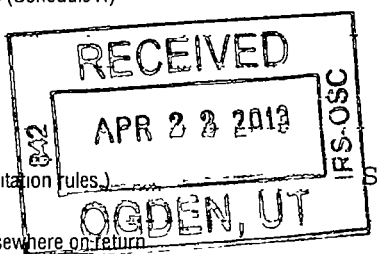
H Describe the organization's primary unrelated business activity **▶ DIRECT MARKETING**

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes No
If "Yes," enter the name and identifying number of the parent corporation. **▶**

J The books are in care of **▶ WILLIAM B. O'CONNOR, TRUSTEE** Telephone number **▶ 212-309-6170**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales			
b Less returns and allowances c Balance ▶	1c		
2 Cost of goods sold (Schedule A, line 7)	2		
3 Gross profit. Subtract line 2 from line 1c	3		
4a Capital gain net income (attach Schedule D)	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		
c Capital loss deduction for trusts	4c		
5 Income (loss) from partnerships and S corporations (attach statement)	5	3,226,567.	3,226,567.
6 Rent income (Schedule C)	6		
7 Unrelated debt-financed income (Schedule E)	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See instructions; attach schedule)	12		
13 Total. Combine lines 3 through 12	13	3,226,567.	3,226,567.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)		(A) Income	(B) Expenses	(C) Net
14 Compensation of officers, directors, and trustees (Schedule K)				
15 Salaries and wages				
16 Repairs and maintenance				
17 Bad debts				
18 Interest (attach schedule)				
19 Taxes and licenses				
20 Charitable contributions (See instructions for limitation rules.)				
21 Depreciation (attach Form 4562)				
22 Less depreciation claimed on Schedule A and elsewhere on return				
23 Depletion				
24 Contributions to deferred compensation plans				
25 Employee benefit programs				
26 Excess exempt expenses (Schedule I)				
27 Excess readership costs (Schedule J)				
28 Other deductions (attach schedule)				
29 Total deductions. Add lines 14 through 28				
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13				
31 Net operating loss deduction (limited to the amount on line 30)				
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30				
33 Specific deduction (Generally \$1,000, but see instructions for exceptions.)				
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32				



SEE STATEMENT A

21	(A) Income	(B) Expenses	(C) Net
22a			

SEE STATEMENT 2

file 3/26/13

Part III Tax Computation

Table with 3 columns: Description, Line Number, Amount. Rows include Organizations Taxable as Corporations, Trusts Taxable at Trust Rates, Proxy tax, Alternative minimum tax, and Total.

Part IV Tax and Payments

Table with 3 columns: Description, Line Number, Amount. Rows include Foreign tax credit, Other credits, Total credits, Total payments, Tax due, and Overpayment.

Part V Statements Regarding Certain Activities and Other Information

Table with 3 columns: Question, Yes, No. Questions regarding foreign accounts, tax-exempt interest, and inventory valuation.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Description, Line Number, Amount. Rows include Inventory at beginning/end of year, Purchases, Cost of labor, and Total.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Sign Here section with signature of William B. Cresci, Date 1/10/13, Title TRUSTEE, and Preparer information for Lauren Cresci.

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property) (see instructions)

1. Description of property

(1)
(2)
(3)
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.** (b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) **0.**

Schedule E - Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

Totals Enter here and on page 1, Part I, line 7, column (A) **0.** Enter here and on page 1, Part I, line 7, column (B) **0.**
 Total dividends-received deductions included in column 8 **0.**

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Totals Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A) **0.** Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B) **0.**

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization
(see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				
Totals		Enter here and on page 1, Part I, line 9, column (A) 0.		Enter here and on page 1, Part I, line 9, column (B) 0.

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income
(see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals		Enter here and on page 1, Part I, line 10, col (A) 0.	Enter here and on page 1, Part I, line 10, col (B) 0.			Enter here and on page 1, Part II, line 28 0.

Schedule J - Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3). If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0.	0.			0.

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I	0.	0.				0.
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col (A) 0.	Enter here and on page 1, Part I, line 11, col (B) 0.				Enter here and on page 1, Part II, line 27 0.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0.

FOOTNOTES

STATEMENT 1

STATEMENT REGARDING PARTNERSHIP ASSET AND INCOME

THE TRUST OWNS, AS A PRINCIPAL ASSET, 36,860 SHARES OF A NEW YORK LIMITED LIABILITY COMPANY, PUBLISHERS CLEARING HOUSE LLC (PCH), WITH OFFICES AT 382 CHANNEL DRIVE, PORT WASHINGTON, NEW YORK. PCH IS ON A CALENDAR YEAR FOR INCOME TAX PURPOSES. THE E.I. NUMBER IS 11-1730276.

FORM 990-T

OTHER DEDUCTIONS

STATEMENT 2

DESCRIPTION

AMOUNT

ACCOUNTING

5,771.

TOTAL TO FORM 990-T, PAGE 1, LINE 28

5,771.

LuEsther Mertz Charitable Trust
Employer Identification No: 13-7049014
Year Ended: 11/30/12
To 990-T, Page 1, Part II, Line 20

Computation of Limitation on Deduction for Contributions

Unrelated Business Income		3,226,567
Less:		
Allocated accounting and legal fees and disbursements		(5,771)
New York State income tax	(280,994)	
Iowa income tax	(1,600)	
Minnesota income tax	(7,113)	
Wisconsin income tax	(3,194)	
		<u>(292,901)</u>
		2,927,895
Limitation %		<u>X 50%</u>
Limitation Amount (Statement B)		<u><u>1,463,948</u></u>

Statement Regarding Charitable Contributions:

Cash distributions to public charities in year ending November 30, 2012 (see schedule below)		\$ 6,237,000
Charitable contributions through partnership (PCH) in year ending November 30, 2012		4,553
Less Limitation amount for year ending November 30, 2012 (See Statement A)		(1,463,948)
Carryover of excess contribution:		
Year ending November 30, 2007		
Total Contributions	5,532,133	
Less Amount deducted	<u>(517,484)</u>	5,014,649
Year ending November 30, 2008		
Total Contributions	5,157,672	
Less Amount deducted	<u>-</u>	5,157,672
Year ending November 30, 2009		
Total Contributions	5,558,341	
Less Amount deducted	<u>-</u>	5,558,341
Year ending November 30, 2010		
Total Contributions	6,613,700	
Less Amount deducted	<u>-</u>	6,613,700
Year ending November 30, 2011		
Total Contributions	6,282,440	
Less Amount deducted	<u>-</u>	6,282,440
		<u>28,626,802</u>
Total contributions		<u>\$ 33,404,408</u>

Schedule of cash distributions made during fiscal year to public charities

American Civil Liberties Union	\$ 650,000
Ballet Tech Foundation	250,000
Central Park Conservancy	125,000
The Joyce Theater Foundation	550,000
Lincoln Center for the Performing Arts, Inc	400,000
National Audobon Society	375,000
Natural Resources Defense Council	480,000
New York Botanical Garden	1,500,000
New York Shakespeare Festival	1,032,000
Phoenix House Development Fund, Inc	100,000
St. Francis Hospital	250,000
Stanford University Population Biology Gift Fund	200,000
Thirteen/WNET Educational Broadcasting Corp	<u>325,000</u>
Total	<u>\$ 6,237,000</u>